



## **HOUSE COMMITTEE ON LAND DEVELOPMENT (LRC)(2013)**

**April 24, 2014**

**1:00 pm, Room 421 Legislative Office Building**

The House Committee on Land Development (LRC)(2013) met on Thursday, April 24, 2014 at 1:00 PM. The meeting was held in room 421 of the Legislative Office Building.

Eight committee members were present. Members present were: Representative Mark Brody (Co-Chair), Representative John Torbett (Co-Chair), Representative Larry Bell, Representative Mike Hager, Representative Edward Hanes, Jr., Representative Chuck McGrady, Representative Andy Wells, and Representative Michael Wray.

Others in attendance were Research Counsel, Bill Patterson and Shelly DeAdder. Committee Clerk, Neva Helms, and House Sergeants of Arms, Young Bae, Bill Bass, and Carl Morello were also in attendance.

### **I. CALL TO ORDER AND INTRODUCTIONS**

Representative Mark Brody presided. Representative Brody called the meeting to order at 1:00pm and began the meeting by welcoming everyone to the fourth and final Land Development Committee meeting and introducing Committee Members and all others in attendance.

### **II. COMMITTEE DISCUSSION OF DRAFT COMMITTEE FINAL REPORT**

Bill Patterson read through the findings and recommendations of the Land Development Committee's Report to the 2014 Session and then Representative Brody opened up discussion on the report.

Representative McGrady asked if counties already require land developers to bond or guarantee their development. Representative Brody directed the question to Representative Hager, who is a land developer, to answer the question. Representative Hager replied that it depends on the county, some do and some don't.

Lisa Martin with the North Carolina Home Builders Association (NCHBA) addressed the Committee Members and stated the NCHBA is okay with recommendations #1 and #3 but does not agree with recommendation #2. She mentioned that what happened at Magnolia Place was like a perfect storm and that it is not a statewide issue. Ms. Martin also stated that there are



abuses of bonding and holding Certificates of Occupancy (CO). She believes recommendation #2 would create no other option than to require bonding for land developers and that, in turn, would put a lot of NC developers out of business that did nothing wrong. Ms. Martin said the NCHBA would oppose this section if it came out in a bill.

Representative Brody addressed Committee Members and said this Committee was charged with studying what happened at Magnolia Place and what we found were government entities fighting over whose fault it was. What this committee is proposing is to put someone ultimately responsible for situations like these and it should be the person who puts the ultimate stamp of approval on it.

Representative Hager asked Lisa Martin why she thinks recommendation #2 would put developers out of business. Ms. Martin responded that this is the third time this proposal has come up over the years and every time NCHBA has opposed it. She stated that bond requirements can be abusive and anytime municipalities can break a contract or hold a CO it can cause problems.

Erin Wynia with the North Carolina League of Municipalities (NCLM) addressed Committee Members and stated that NCLM would also oppose recommendation #2. Ms. Wynia believes recommendation #2 might cause a “chilling affect” that could slow down the pace of development for municipalities. Ms. Wynia also stated that she was concerned about liability issues where the government would assume liability for certain elements of infrastructure and the costs associated with such liability.

Representative Hager asked if there was any way the Committee and NCHBA and NCLM could come together for a compromise for recommendation #2. Bill Patterson responded by stating that if a compromise is reached, the report could be amended in the LRC. From there, the LRC would need to give final approval before legislation could be introduced in the short session. Representative Hager recommended that a compromise be made before the LRC meets and then amend the report in the LRC. Representative Hager mentioned that he is on the LRC Committee. Representative Torbett stated that he thought it would be acceptable to approve the final report today and then amend the report accordingly in the LRC.

Representative Brody closed the Committee discussion by saying that NC is growing and moving forward and that we need to start addressing a number of issues in the development and construction industry. By approving the report today, it will be a good start in the right direction.



### **III. VOTE ON DRAFT COMMITTEE FINAL REPORT**

Representative Brody called for a vote for adoption of the final report and it was approved by Committee Members.

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 2:00pm.

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Representative Mark Brody  
Presiding

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Neva Helms, Committee Clerk